

SSB 5399 - H COMM AMD

By Committee on Consumer Protection & Business

ADOPTED 04/06/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) No future listing right purchase
4 contract shall exceed five years duration and may not be renewed or
5 extended. A future listing right purchase contract:

6 (a) Shall not be used as a lien against the real property;

7 (b) Shall not run with title to real property and is not binding
8 or enforceable at law or in equity against any subsequent owner,
9 purchaser, or mortgagee or holder of any interest in real property as
10 an equitable servitude;

11 (c) May be canceled by the owner without penalty or further
12 obligation within 10 business days after execution of the contract by
13 owner sending notice of cancellation to the other party by mail,
14 telegram, or other means of written communication along with the full
15 amount of any consideration paid to the owner. Notice of cancellation
16 is considered given when mailed, when filed for telegraphic
17 transmission, or, if sent by other means, when delivered to the other
18 party's designated place of business. Such cancellation right shall
19 be set forth clearly in bold type font in the future listing right
20 purchase contract;

21 (d) Shall set forth clearly in bold type font that the owner may
22 not be compelled to list the owner's property.

23 (2) The attorney general may bring actions to enforce compliance
24 with this section. The legislature finds that the practices covered
25 by this section are matters vitally affecting the public interest for
26 the purpose of applying the consumer protection act, chapter 19.86
27 RCW. A violation of this section is not reasonable in relation to the
28 development and preservation of business and is an unfair or
29 deceptive act in trade or commerce and an unfair method of
30 competition for the purpose of applying the consumer protection act,
31 chapter 19.86 RCW.

1 (3) For the purposes of this section, a "future listing right
2 purchase contract" means a contract granting an exclusive right to
3 list residential real estate for sale in the future and includes, but
4 is not limited to, any document recorded in the county where the real
5 estate is located relating to the contract including the contract
6 itself, a memorandum concerning the contract, or a deed of trust to
7 secure the terms of the contract.

8 NEW SECTION. **Sec. 2.** (1) The Washington real estate commission
9 established under chapter 18.85 RCW shall convene a work group to
10 examine practices used by real estate brokerage companies to market,
11 establish, and enforce future listing right purchase contracts in
12 order to provide recommendations for consumer protections and
13 potential regulations, including potential licensing requirements.
14 The work group shall be staffed by the department of licensing and
15 include representatives from associations that represent real estate
16 brokers, real estate brokerage companies who offer future listing
17 right purchase contracts, and other entities that the Washington real
18 estate commission deems appropriate. The commission shall report back
19 to the appropriate committees of the legislature in accordance with
20 RCW 43.01.036 by December 1, 2024, with the work group's findings and
21 recommendations.

22 (2) This section expires July 1, 2025.

23 NEW SECTION. **Sec. 3.** Section 1 of this act constitutes a new
24 chapter in Title 61 RCW.

25 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of
27 the state government and its existing public institutions, and takes
28 effect immediately."

29 Correct the title.

EFFECT: (1) Changes the maximum duration for a future listing
right purchase contract from two years to five years.

(2) Prohibits a future listing right purchase contract from being
used as a lien against real property.

(3) Requires the Washington Real Estate Commission to convene a
workgroup to examine practices used by real estate brokerage
companies to market, establish, and enforce future listing right
purchase contracts, and to report back to the Legislature by December
1, 2024, with findings and recommendations.

(4) Modifies the definition of "future listing right purchase contract" to mean a contract "granting an exclusive right to list residential real estate for sale in the future" rather than "obligating an owner of residential real estate to enter into a real estate listing agreement in the future relating to the sale of the real estate."

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